Montana
360.58 consolidated plan,
C18mcpf annual action plan
1998 for plan year
beginning April 1,
1998

MONTANA CONSOLIDATED PLAN ANNUAL ACTION PLAN

For Plan Year Beginning April 1, 1998

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1998

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Cover Page Photos:

*Water Line Construction, Lewistown, MT - Treasure State Endowment Program
*Montola Growers, Inc., Culbertson Seed Oil Plant, Culbertson, MT - Economic Development/Community Development Block Grant
*Private Residence, Great Falls, MT - HOME Program

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INTRODUCTION

Each year Montana must submit a Consolidated Plan (CP) Action Plan to illustrate how community planning and development resources will be utilized to improve communities throughout the State to provide safe and decent housing, a suitable living environment, and economic development opportunities, especially for low-and moderate-income persons and the homeless. The Action Plan for the period beginning April 1, 1998 was developed with the input of citizens and community groups and serves four major functions:

- It is a yearly planning document for the three formula grant programs (described below) in Montana, built upon public participation and input.
- It is the State's application for funds available through the three Department of Housing and Urban Development (HUD) formula grant programs that are applicable to the State of Montana: the Community Development Block Grant (CDBG), the Home Investment Partnerships (HOME), and the Emergency Shelter Grant (ESG) programs.
- It lays out the funding resources expected, the method of fund distribution and the actions the State will follow in implementing HUD programs.
- It provides accountability to citizens for the use of the funds and allows HUD to measure program performance.

Montana chose to support the 1998 Action Plan with four separate documents: *Assisted Living Analysis*, an updated *Economic and Demographic Analysis*, the *Montana Home Mortgage Disclosure Act (HMDA) Analysis*, and a *State of Montana Economic and Demographic Databook*. These documents and other studies, evaluations, and previous Consolidated Plan reports, help individuals, communities, and organizations meet the three basic goals of the CDBG, HOME, and ESG programs and provide useful information for use by the public and legislature. These goals are: to secure decent housing, provide a suitable living environment, and expand economic opportunities.

The CP Action Plan for the period beginning April 1, 1998, provides details to citizens, public agencies, and other interested parties on the amount of assistance Montana expects to receive, the range of activities that may be undertaken, and the general program activities that may be planned in addressing the priority needs.

DEVELOPMENT PROCESS FOR UPDATING THE CONSOLIDATED PLAN

Updating the Consolidated Plan for housing and community development is an on-going process. Throughout this process, the State has tried to improve the delivery of assistance to the people of Montana. The State supports policies and programs that support affordable housing, facilities and services for the homeless, and other non-housing community development activities, such as infrastructure enhancement and economic development. The process consists of several distinct steps, including:

1. Interagency cooperation and coordination;
2. Consultation and outreach with concerned citizens and organizations;

3. Advisory and policy formation functions;
4. Public awareness of the citizen involvement process; and
5. Delivery of program services.

Interagency Cooperation and Coordination

Members of the Consolidated Planning Review Committee, which comprised representatives of the HOME, CDBG, ESG, and MBOH programs, met repeatedly over the plan development process to review the status of the action plan development. In addition, other agencies, such as the Montana Department of Environmental Quality, the Montana Board of Realty Regulation, and the Montana Human Rights Commission were solicited for input on specific topics of the Action Plan and supporting studies.

Housing Division personnel of the Department of Commerce are involved in welfare reform meetings to provide education concerning housing programs, discuss how welfare reform impacts housing, and how housing programs can help meet self sufficiency objectives.

The Housing Working Group will continue to review areas where regulations are adding to the cost of housing. Other areas to address include the legislative process, comprehensive planning and zoning, subdivision standards, disincentivies to building within city limits and financing for infrastructure costs.

The Housing Coordinating Team will continue to facilitate statewide coordination in delivery of housing services with individual housing providers and local organizations. Areas to research in the coming program year include: Impact Fees vs Affordable Housing; financial benefit of capital facilities; and, common applications for housing projects.

Consultation and Outreach with Citizens and Organizations

As part of the plan update, many outside agencies and individuals were contacted. Organizations and individuals were encouraged to provide statistics, data, and other information to aid in preparing the Action Plan and related studies. A partial list of these organizations includes Community Housing Resource Boards, Montana Fair Housing, Battered Women's Network, Montana Legal Services, Habitat for Humanity, Native Action, Montana Landlords Association, Montana Association of Realtors, and the Montana Bankers Association.

Advisory and Policy Formation Functions

Throughout the year, MDOC has interacted with other agencies and organizations with a commitment to better develop housing strategies. MDOC has maintained its commitment to inform others of their responsibility to participate in the Consolidated Plan process and to promote affordable housing in local communities. In recent years, MDOC received broad-based support for a "team" approach to address affordable housing needs and formed the CP Steering Committee, a Housing Coordinating Team, and a Housing Working Group. These committees and groups continue to provide direction and input to the Consolidated Plan.

The Housing and Local Government Assistance Divisions of the Department of Commerce are in the process of setting goals and timelines for improving coordination in the area of joint applications, workshops, and reporting formats.

MDOC continues to advise non-profit groups about forming certified Community Housing Development Organizations (CHDOs). Only local units of government (cities, towns, and counties) and CHDOs are eligible to apply for HOME grant funds under the HUD-approved program description. A MDOC-certified CHDO can apply for set-aside funds under the HOME program. Twenty-five nonprofit organizations are currently certified as CHDOs in Montana.

To gather additional public input for the planning process, three public comment meetings are scheduled in December 1997. These meetings will be held at the following locations and times:

Sidney	December 2	5:30 - 7:30	City Library - 121 3rd Avenue Northwest, Sidney, MT
Dillon	December 9	1:00 - 2:00	U.S. Forest Service Center - 420 Barrett, Dillon, MT
Libby	December 11	9:00 -11:00	Public Library - 220 W. 6th, Libby, MT

Delivery of Program Services

The HOME program, through a process of application ranking, will commit project funds during the fall and winter months to provide better alignment with the construction season. HOME application workshops will be held in several cities throughout the state during April and May, 1998. Advance public notification will take place. The HOME application deadline is September 14, 1998, and the Administration Workshop date is mid January, 1999.

The CDBG program, through a process of application and evaluation of proposals, will commit funds to housing, public facilities, and economic development projects. Application workshops for public facilities and housing will be held in several cities with advance notification. The public facilities application deadline is set for May 1, 1998, and the housing application deadline is tentatively set for October 16, 1998. Economic Development applications are received and awarded on an open cycle. A housing Administration Workshop will be held in January, 1999.

The Emergency Shelter Grant program will continue to use HUD funds to improve the quality of existing emergency shelters for the homeless, meet the costs of operating shelters and provide essential social services to help prevent homelessness. Ninety-five percent of the funds received will be allocated to the 10 regional Human Resource Development Councils (HRDCs) in Montana. While the funds available to the ESG program are less than those allocated to Montana's HOME and CDBG programs, the regional organizations are extremely dependent on the assistance received from the yearly allocation.

Specific guidelines that relate to the individual programs for CDBG and HOME may be obtained by contacting the Department of Commerce. The Department of Public Health and Human Services may be contacted to obtain guidelines for the ESG program.

Transitional Family Shelter

QUANTITATIVE ANALYSIS IN SUPPORT OF THE PLAN

Development of the Action Plan for plan year beginning April 1, 1998, is based in part, on current and past research, studies, and analysis of housing and infrastructure needs. Three additional analyses were conducted during the current planning cycle.

The first analysis was performed in response to the state obligation under the Fair Housing Planning Guide that requires a grantee to conduct an analysis to identify impediments to fair housing choice within the jurisdiction. HUD suggests an analysis of HMDA data for the grantees area of responsibility. The *Montana Home Mortgage Disclosure Act (HMDA) Analysis* for the years 1993, 1994, and 1995 has been completed. The HMDA analysis examines home loan applications made over the three year period and reasons for home loan denials.

The second analysis is the updated *Economic and Demographic Analysis*. This report analyzes the economy and evaluates demographic data using current information obtained since the 1990 Census. This update reflects a housing market correction in Montana, however, housing affordability remains a major issue.

The third document, the *Economic and Demographic Databook*, has also been updated based on current information obtained since the 1990 Census. The Databook is valuable to program applicants and is divided by county. This format provides for ease in distribution to census specific areas in the State. Six tables are provided for each of the 56 counties and include:

- Historic and Forecast Employment Data
- Historic and Forecast Earned and Unearned Income Data
- Historic and Forecast Earnings by Industry
- Total Population by Age Cohorts
- Male Population by Age Cohorts
- Female Population by Age cohorts

In addition to the *Montana Home Mortgage Disclosure Act (HMDA) Analysis*, *Economic and Demographic Analysis*, and *Economic and Demographic Databook* the following studies have been prepared in recent years in support of the Montana Consolidated Plan and are still available for use in a planning process.

1. *Inventory of Infrastructure Needs* (1995);
2. *Montana Housing and Homeless Resource Directory* (1996);
3. *Montana Housing and Homeless Resource Matrix* (updated 1997);
4. *Economic Benefits of MDOC Housing and Infrastructure Programs* (1996);
5. *The Montana Assisted Living Study, Demand for Assisted Living* (1996);
6. *Analysis of Veterans in Montana* (1996);
7. *The Analysis of Impediments to Fair Housing Choice* (1996); and,
8. *Inventory of Water and Wastewater Needs for Unincorporated and Non-District Areas in the State of Montana* (1996).

These studies are available from the Montana Department of Commerce, Housing Division, 836 Front Street, Helena, MT 59620.

Senior Citizen's Center - Bozeman

Activities Room

Adult Day Care

RESOURCES

FEDERAL RESOURCES EXPECTED

Community Development Block Grant Program (CDBG)

The CDBG program is administered by the Local Government Assistance Division and the Economic Development Division of the Montana Department of Commerce. For Plan Year beginning April 1, 1998, the state estimates receiving $8,000,000 in federal CDBG funds for award to local governments. Of these dollars, a portion will be allocated for economic development projects, which are administered by the Economic Development Division. Another portion will be allocated for public facility projects and for housing and community revitalization projects.

The MDOC Economic Development Division also manages an EDA/CDBG Revolving Loan Fund. Once loan repayments reach $100,000, funds will be available to lend to communities.

Home Investment Partnerships Program (HOME)

The HOME program is administered by the Housing Division. Funds are estimated at $3,374,000.

Emergency Shelter Grant Program (ESG)

The Intergovernmental Human Services Bureau of the Montana Department of Public Health and Human Services (DPHHS) anticipates that $273,000 will be made available for the ESG program.

Low Income Housing Tax Credit Program (LIHTC)

The Low Income Housing Tax Credit Program is administered by the Montana Board of Housing. The Board receives authority to allocate the tax credit through the Internal Revenue Code, based on $1.25 per capita per year. Annual authority is estimated at $1.1 million.

STATE AND OTHER RESOURCES EXPECTED

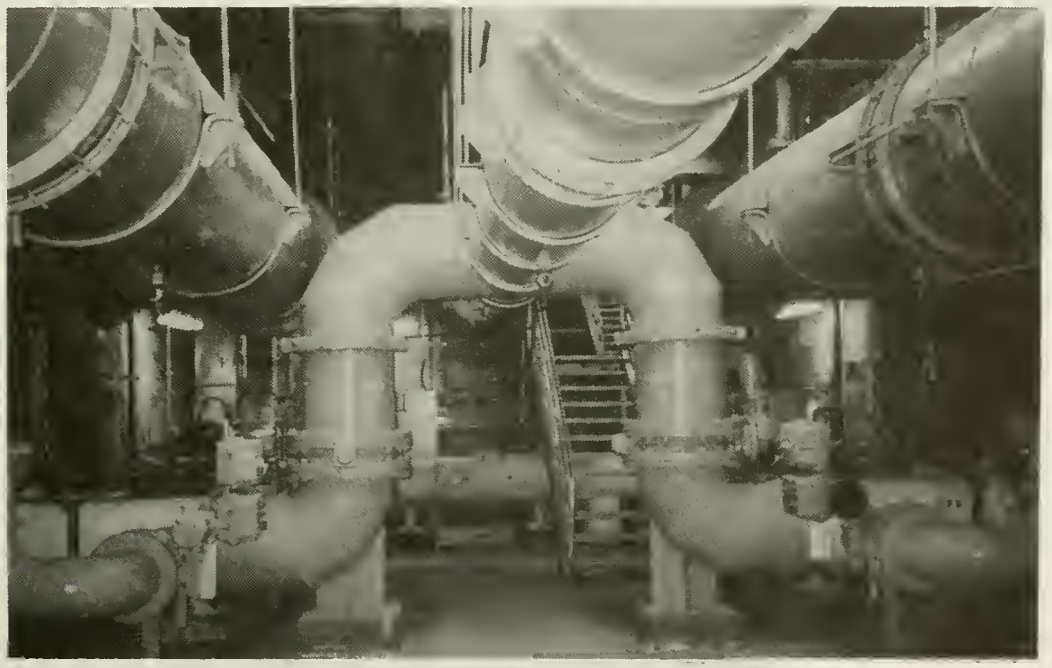
Department of Natural Resources and Conservation (DNRC) Renewable Resources Development Program

The program provides grant and loan funds to governmental entities for renewable resource projects that preserve, conserve, manage, and develop renewable resources. The program is administered by the Resource Development Bureau of the Montana Department of Natural Resources and Conservation (DNRC). Grant funding is limited to $100,000, and loan funds are available to the limit of the borrower's bonding authority. Interest subsidies for large loans are available subject to legislative approval. The Renewable Resource Grant Program has $2.0

million available for grant funding each biennium. Loan authority is currently $90 million. Applications are due May 15, 1998. Emergency Grants of $25,000 are available on an open cycle for projects that, if delayed, will result in substantial harm to public health or the environment.

Treasure State Endowment Program (TSEP)

The Treasure State Endowment Program (TSEP) is a state funded grant and loan program designed to assist local governments in obtaining affordable financing for constructing or repairing drinking water systems, wastewater treatment facilities, sanitary or storm sewer systems, solid waste disposal and separation systems, and bridges. Approximately $7.6 million is available for grants to local governments for the state FY 2000-01 biennium.



Big Hole Water Treatment Plant - Butte/Silverbow

The Community Technical Assistance Program (CTAP)

The Community Technical Assistance Program (CTAP) is a state program administered by MDOC to provide technical assistance to local governments and development groups on community planning, development, and finance issues and options. Services available from CTAP include individual local government planning and development assistance, public works financing assistance, and general community research assistance. CTAP also maintains a computerized public works money database to assist local governments with identifying funding options for infrastructure projects. The CTAP program also manages county land planning funds which are distributed to Montana county governments providing small grants for comprehensive planning, economic development planning, and capital improvements planning. These grant funds total approximately $198,693 annually for 56 counties.

MONTANA BOARD OF HOUSING PROGRAMS (MBOH)

The mission of MBOH is to alleviate the high cost of housing for persons and families below median income. The funds to operate the programs are generated through either the sale of tax-exempt bonds or administrative fees. Board programs fall into two categories: home ownership and multifamily programs. An additional program assists the elderly. Funds made available by the Board are dependent upon remaining available funds, and the prevailing market interest rates. If interest rates rise, the MBOH will likely issue additional bonds, as rates will be significantly below market rates. If interest rates fall, the Board likely will not conduct bond activities unless below-market rates are achievable.

Due to expiring HUD Section 8 contracts, nine projects in Montana were in jeopardy of losing a total of 532 units of affordable residential housing. In partnership, the Montana Legislature, Board of Housing, Board of Investments, HUD and five non-profit organizations have created a plan to retain these units. The Board of Investments will provide permanent mortgages at 5 percent guaranteed by the moral obligation of the state and insured by HUD. Board of Housing will allocate Low Income Housing Tax Credits and has applied for and received an Affordable Housing Preservation grant from the Federal Home Loan Bank of Seattle totaling $1.5 million. The five non-profits will own and operate the projects maintaining their affordability for perpetuity.

Private Home - Helena

Grand Union Hotel - Fort Benton

ESTIMATED FUNDING SOURCES

Funding Sources			
Entitlement Grant (includes reallocated funds)			
CDBG	$8,275,000		
ESG	$398,000		
HOME	$3,735,759		
HOPWA	$0		
Total		$12,408,759	
Prior Years' Program Income NOT previously programmed or reported			
CDBG	$0		
ESG	$0		
HOME	$0		
HOPWA	$0		
Total			$0
Reprogrammed Prior Years' Funds			
CDBG	$0		
ESG	$0		
HOME	$0		
HOPWA	$0		
Total			$0
Total Estimated Program Income			$0
Section 108 Loan Guarantee Fund			$0
TOTAL FUNDING SOURCES		$12,408,759	
Other Funds			$0
Submitted Proposed Projects Totals			$0
Un-Submitted Proposed Projects Totals			$0

ACTIVITIES
METHOD OF FUNDS DISTRIBUTION

Community Development Block Grant

Fund distribution for the CDBG **Housing and Community Revitalization** category is based on an annual competition held in the fall. The FFY 1998 deadline date will be October 16. Eligible applicants are limited to general purpose local governments: towns and cities under 50,000 population, and counties. The maximum grant request for a Housing and Community Revitalization project is $400,000. Existing grantees must significantly draw down their existing funds before they are eligible to apply for additional program funds.

The **Public Facilities** category is also based on an annual competition. The deadline date for the Plan Year will be May 1, 1998. General purpose local governments: towns and cities under 50,000 population and counties are eligible applicants. Each local government may apply for one housing project and one public facility project each program year. The maximum grant request for a public facility project is $400,000. Grantees must significantly draw down their existing funds before they are eligible to apply for additional program funds.

The **Economic Development** component of the CDBG Program expects to receive approximately $2.5 million, which is one-third of the annual allocation to the State of Montana. Eligible applicants are local governments, who in turn loan these funds to for-profit businesses who agree to create jobs for low and moderate income persons. Applications are accepted on a continuous basis as long as funding is available for each program year. The maximum funding amount is $400,000 per local government in a program year. Communities can reapply for funding throughout the program year until they have reached the maximum amount to a local government of $400,000. The applicant business must prepare a business plan and meet certain thresholds, including providing a 1:1 dollar match. The project application is then reviewed by Department staff and a loan review committee, which makes the recommendation to the Director, who makes the final funding decision.

Treasure State Endowment Program (TSEP)

Eligible applicants for the **TSEP** program include any incorporated city or town, county, or consolidated government, and county or multi-county water, sewer, or solid waste management districts. Matching grants are available for up to 50 percent of eligible project development costs. Grants and debt service subsidies are limited to $500,000 maximum.

HOME Program

Program funds for **HOME** are distributed through a competitive process of grant applications with a deadline date of October 5, 1998. Eligible applicants include general purpose local governments (counties, incorporated cities and towns, consolidated city-county governments), and Community Housing Development Organizations (CHDOs) certified by MDOC. The maximum request for a HOME project is $400,000. CHDOs receive a minimum 15 percent set-aside of each fiscal year

allocation. Existing grantees are eligible to repply for an additional HOME grant if:

- the grantee is in compliance with the project implementation schedule contained in the HOME contract with MDOC;
- there are no unresolved audit, monitoring, or performance findings for any previous HOME grant awards to the applicant; and
- 75 percent of the previous HOME grant has been spent down by the application deadline date.

MBOH Programs

The Single Family Program is ongoing based on availability and market interest rates. The Multifamily Risk Sharing Program issued a Request for Proposal beginning July 19, 1994, and applications are accepted on a monthly basis. The Reverse Annuity Mortgage Loan Program for elderly persons is ongoing. MBOH allocates Low Income Tax Credits through its qualified allocation plan at three set deadlines per year. For profit and non-profit entities are eligible. Selection criteria include projects serving low-income tenants, projects located in distressed or hard-to-develop areas, projects meeting the area's housing needs and priorities, projects servicing tenant populations with special housing needs, and projects in areas with long waiting lists for assisted housing.

Emergency Shelter Grant Program

The 10 regional Human Resource Development Councils (HRDC) receive 95 percent of the funds allocated under this program. Funds are distributed based on a formula allocation contained in ARM 53-10-502 pertaining to the Federal Services Block Grant. This allocation reflects areas of poverty and general population.

LEVERAGING AND MATCHING FUNDS

The CDBG Economic Development (ED) Program is a major player in economic development financing in Montana. Economic development projects have leveraged private lender's funds and federal funds, the U.S. Small Business Administration's SBA 7A and 504 programs, Economic Development Administration funds, and the Rural Development Administration's Programs. Economic development projects have also leveraged programs under the Montana Board of Investments, the Montana Science and Technology Alliance Program, the Montana Growth through Agriculture program, and the Job Investment Loan program. For matching funds, the Program requires one non-CDBG dollar for each dollar of nonadministrative CDBG funds requested. In 1995 and 1996, CDBG ED funds of approximately $5 million have leveraged approximately $22 million in private, state and federal funds.

In the public facility category of the CDBG program, local governments must provide at least a 25% match of total CDBG funds requested. No match is required for CDBG housing projects.

Hi-Country Beef Jerky
Lincoln, MT
CDBG/Economic Development Project

1996 CDBG Project
Belt, MT
Construction of Wastewater Treatment Lagoon

HOME funds used for project activities must be matched at 25 percent. Due to grantees reporting match amounts in excess of the normally required amount, MDOC reduced the grantee match portion to 5% last year. A match requirement will remain and is anticipated to be between 5-12.5% for this program year. Based on last year's activities, the HOME program expects to incur a match liability of approximately $500,000 with a leverage amount of approximately $1.5 million. Each year approximately $1 million of Board of Housing tax exempt bond funds count toward the total state match obligation. Due to the success of leveraging bond funds with HOME dollars, the State has an excess amount of match in this financing arena. Based on recent HOME applications, the ratio of HOME funds leveraged with other public and private funds is 1:3.

Woodland Court - Kalispell
CDBG - Infrastructure/HOME - New Construction

METHOD OF DISTRIBUTION

CDBG

	Min Amt.	Max Amt.
Competitive	0	7,926,750
Formula	0	0
Retained for State Project	0	0
Non-Competitive	0	0
State Admin of Program	0	348,250

ESG

	Min Amt.	Max Amt.
Competitive	0	0
Formula	0	378,100
Retained for State Project	0	0
Non-Competitive	0	0
State Admin of Program	0	19,900

HOME

	Min Amt.	Max Amt.
Competitive	0	3,586,329
Formula	0	0
Retained for State Project	0	0
Non-Competitive	0	0
State Admin of Program	0	149,430

HOPWA

	Min Amt.	Max Amt.
Competitive	0	0
Formula	0	0
Retained for State Project	0	0
Non-Competitive	0	0
State Admin of Program	0	0

Poverello Center - Missoula

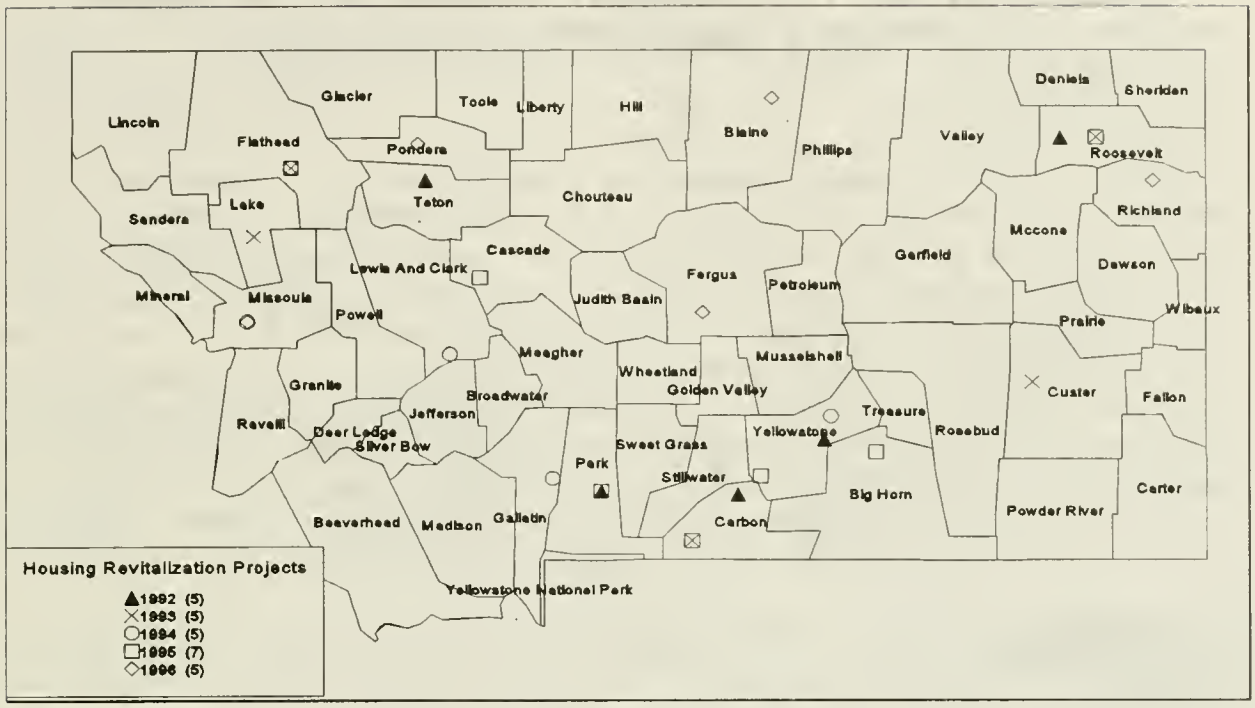
GEOGRAPHIC DISTRIBUTION OF FUNDS

Housing and community development needs across Montana vary widely. The extreme diversity in available housing, age of housing stock, and overall range in population density complicate the assessment of the type and degree of housing and community development needs. MDOC programs are implemented on a statewide competitive basis. Entities receiving CDBG and HOME funds must have previous allocations substantially drawn down and all outstanding monitoring issues resolved before they are eligible to apply for additional program funds. This method has been shown to disburse funds equitably throughout the state, allowing all groups an equal chance to apply for funds. Together, all funding methods, whether through a formula, as in the ESG grants, or competitive, as in CDBG and HOME grants, tend to be widely distributed throughout the state. In order to better view the geographic dispersion of funding activities, by general funding activity type, several geographic maps have been prepared. Past HOME grant awards are in Map 2, below.

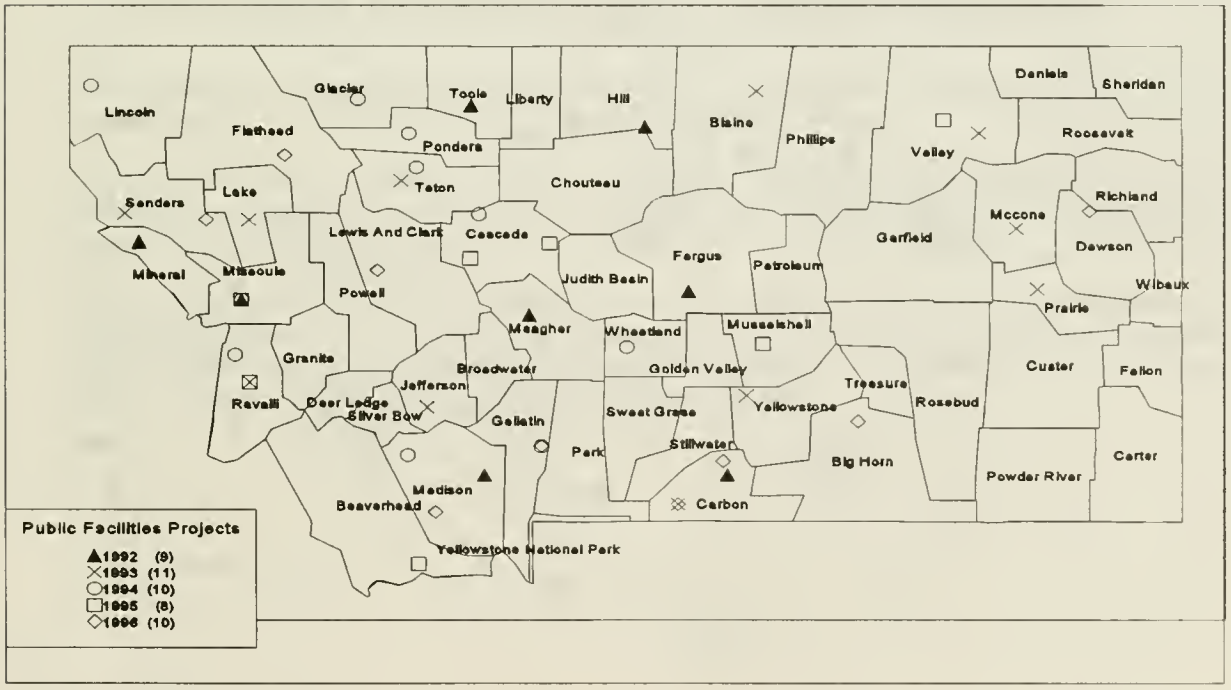
MAP 2
HOME GRANT AWARDS IN PLAN YEARS 1992 THROUGH 1996

The CDBG Housing and Community Revitalization program grant awards for 1992 through 1996 plan years, are presented in Map 3, on the following page. Map 4 presents similar data for the CDBG Public Facility awards. Map 5 illustrates the CDBG Economic Development grant awards for the same five years. Map 6 presents the Emergency Shelter Grant areas of program activity.

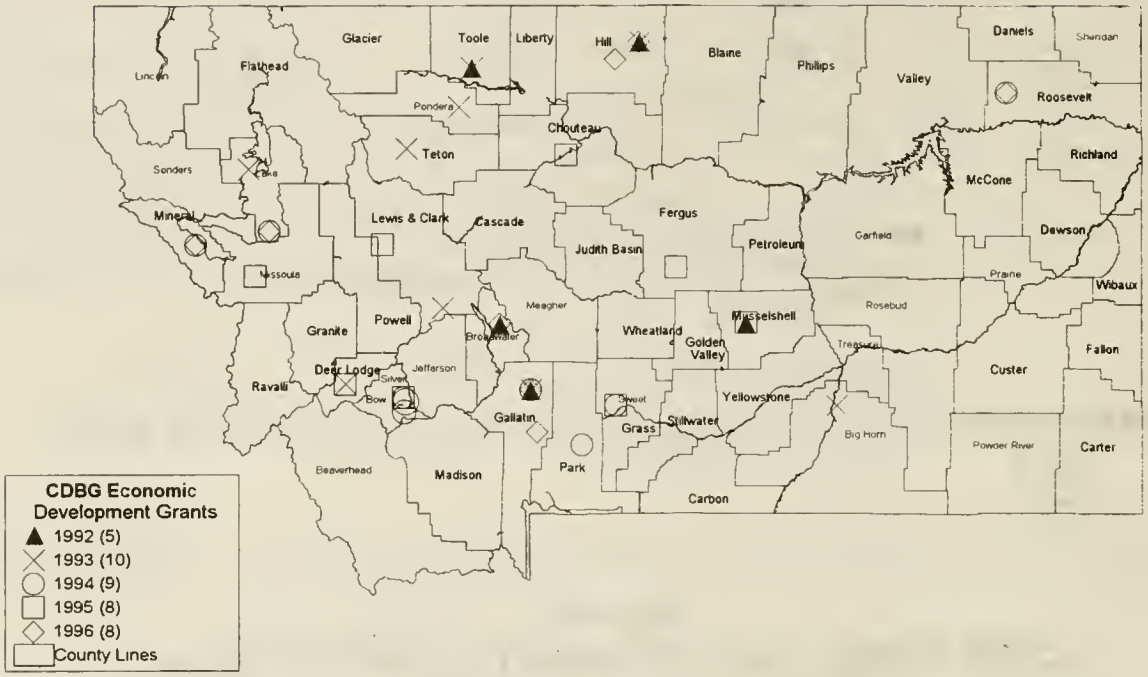
MAP 3
CDBG HOUSING GRANT AWARDS IN PLAN YEARS 1992 THROUGH 1996



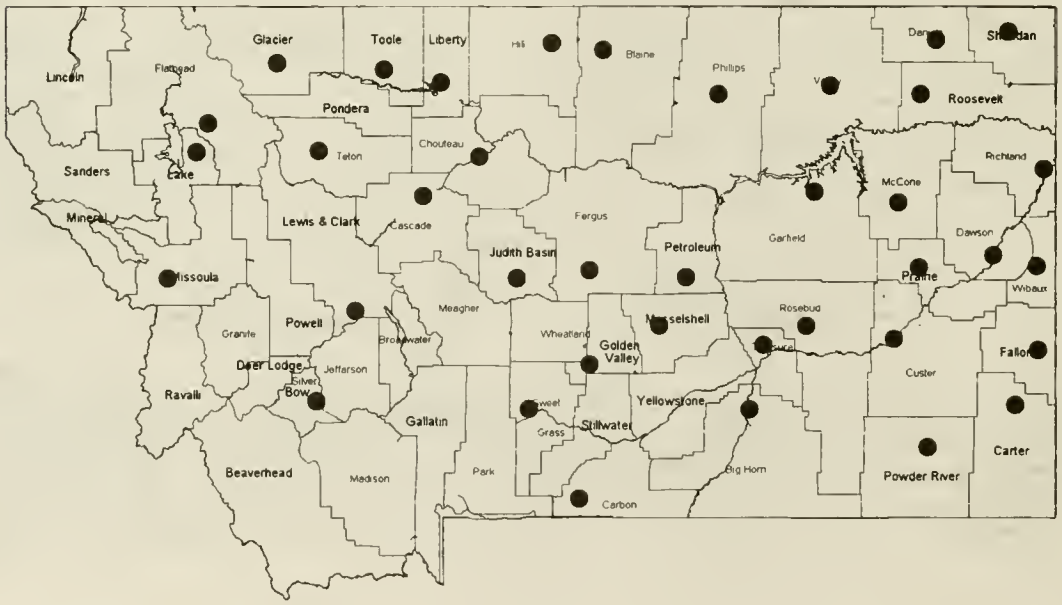
MAP 4
CDBG PUBLIC FACILITY GRANT AWARDS IN PLAN YEARS 1992 THROUGH 1996



MAP 5
CDBG ECONOMIC DEVELOPMENT AWARDS IN PLAN YEARS
IN PLAN YEARS 1992 THROUGH 1996



MAP 6
ESG PROGRAM ACTIVITIES IN PREVIOUS PLAN YEAR



HOMELESS AND OTHER SPECIAL NEEDS ACTIVITIES

Breaking the long-term cycle of homelessness, tempered by short-term shelter, cannot be accomplished by building more shelters or facilities alone. Real help is enabling the homeless to rely on themselves. Besides a lack of shelter, homelessness involves a variety of unmet physical, economic, and social needs. A comprehensive, coordinated system of homeless assistance, is comprised of a wide array of services, tools, and opportunities for the homeless. Homeless services will include a prevention strategy and help the homeless in stages—to take them from an emergency shelter to permanent housing. The first stage involves emergency shelters. Here the homeless are provided with immediate shelter and assessed in order to identify an individual's or family's needs. The second stage offers transitional housing and necessary social services. Included in these services are mental health and substance abuse counseling, vocational rehabilitation, education, family support, child care, independent living skills training, job training, and placement, and employment opportunities where the homeless can both acquire and put to use new work skills. The final stage is permanent housing or permanent supportive housing arrangements. While all three stages may not be needed by everyone, the community will have them available as part of the coordinated, comprehensive plan.

A 1993 study for the Department of Social and Rehabilitation Services[1] lists recommendations on how to improve the conditions of the homeless population. It charges the Department of Public Health and Human Services (DPHHS) with the responsibility of carrying out the provisions of the 1990 National Affordable Housing Act in formulation of homeless policies and strategies. Since the unsheltered homeless population shares similar needs with the rest of the homeless population, these recommendations are valid for both populations. These recommendations include:

1. Provide for those who are homeless in Montana; identify the causes of homelessness throughout the communities in Montana; develop inventories of available services; and design action plans in emergency needs, permanent housing needs, and design strategies to prevent homelessness, of populations with special needs.

2. More coordination among the state and local providers of care for the homeless is needed including additional training, workshops, etc. The provision of outreach programs is also needed.

3. DPHHS should develop a task force or coalition to generate on-going recommendations addressing the needs of the homeless population in Montana. This task force should include representatives from various groups and organizations who deal with the homeless.

4. DPHHS should devise a comprehensive state plan for addressing the needs of Montana's homeless population. This plan should assess the number, the needs, various homeless groups with special needs, and an evaluation of available federal programs and funding. Such a strategy would need to utilize the available resources and help mobilize the task force in its effort to combat homelessness.

[1] *The Sheltered Homeless Population of Montana*, 1993.

ACTIONS FOR UPCOMING PLAN YEAR

No single approach or unique priority fits all regions of Montana equally well. Acceptably addressing the range of severe needs, while allocating resource equitably, makes for a complicated housing and community development policy agenda. Nevertheless, Montana is committed to moving forward with a concrete set of objectives. These are:

Housing:

- Relieve the shortage of available housing stock;
- Increase the stock of affordable rental units, especially assisted units;
- Promote resources available to build affordable housing units;
- Increase ability of low and moderate-income households to buy homes;
- Increase resources to finance housing maintenance and improvements;
- Simplify housing assistance programs;
- Increase accessibility of Montana's housing stock;
- Increase energy efficiency in Montana's housing stock;
- Decrease housing environmental hazards, such as lead-based paint or asbestos;
- Continue ability of MDOC to provide technical assistance;
- Increase the supply of affordable rental units and for-purchase homes;
- Affirmatively further fair housing: implement actions identified in the Analysis of Impediments to Fair Housing; and,
- Evaluate applications from eligible participants based on identified needs of the community which may include combination of job training or other welfare reform goals, along with housing goals.

Homelessness:

- Secure available resources for persons requiring supportive and transitional services;
- Assist persons requiring supportive and transitional services to achieve permanent housing;
- Assist in meeting the supportive services needs for the homeless;
- Assist in increasing capacity and counseling services for runaway youth;
- Assist in securing stable funding sources for existing homeless facilities and services;
- Continue to support statewide continuum of care strategy to ensure emergency, transitional and permanent housing.

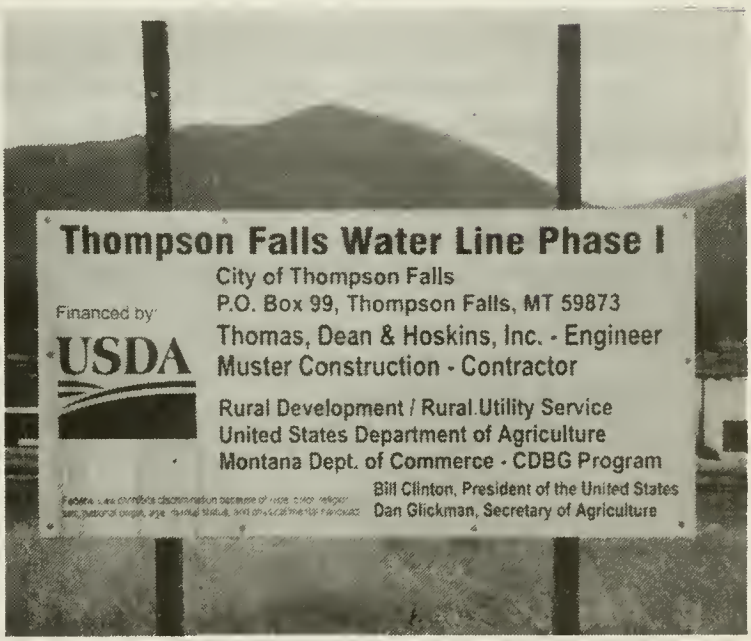
Economic Development:

- Encourage viable economic development projects that promote investment of private capital, diversification of industries, expansion of local tax bases, and creation of permanent, year-round jobs principally for low and moderate-income Montanans;
- Encourage projects that will involve basic economic activities, including manufacturing, import substitution activities, or the distribution of Montana-made goods;
- Encourage projects involved in processing, refining, and marketing of Montana's natural resources;
- Continue to expend the annual CDBG ED allocation and access other sources of funds for maximum financial leverage;
- Allow local communities to identify their own needs and develop their own initiatives; and
- Assist the businesses and communities in achieving prosperity, which may include a combination of job training or other welfare reform goals, along with economic development goals.

Infrastructure and Public Facilities:

- Examine results of the last two years of infrastructure inventories and analysis;
- Identify available level of resources necessary to address these needs over next biennium;
- Continue to provide technical assistance to communities; and,
- Fully award all CDBG public facility funds.

City of Thompson Falls
1994 CDBG Water Project


Thompson Falls Water Line Phase I
City of Thompson Falls
P.O. Box 99, Thompson Falls, MT 59873
Financed by:
USDA
Thomas, Dean & Hoskins, Inc. - Engineer
Muster Construction - Contractor
Rural Development / Rural Utility Service
United States Department of Agriculture
Montana Dept. of Commerce - CDBG Program
Bill Clinton, President of the United States
Dan Glickman, Secretary of Agriculture

PROGRAM SPECIFIC REQUIREMENTS

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Montana administers nonentitlement Community Development Block Grant (CDBG) funds through the Community Development Bureau of MDOC. The CDBG program was established by the Federal Housing and Community Development Act of 1974 and has been administered by the state since 1982. The CDBG program is a federally funded competitive grant program designed to help communities of less than 50,000 population with their greatest community development needs. Eligible applicants are limited to general purpose local governments. All projects must principally benefit low and moderate income persons.

The primary objective of the CDBG program is to develop viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities for persons of low and moderate income. Seventy percent of the funds must be used for activities that benefit low and moderate income persons.

The basic categories for local community development projects are housing, public facilities, and economic development. Some of the activities that can be carried out with CDBG funds include the acquisition of real property; rehabilitation of residential and non residential properties (including special facilities for the handicapped); construction of new, affordable housing (when sponsored by a non-profit organization); provision of public facilities and improvements such as water, sewer, or solid waste facilities or senior citizen centers; and assistance to for-profit businesses to promote economic development activities that will result in the creation or retention of jobs.

Method of Distribution
Grant Ceilings

The total amount of CDBG funds requested by an applicant (or joint applicants) must not exceed the following ceilings:

Type of Grant Ceiling	
Housing and Community Revitalization	$400,000
Public Facilities	$400,000
Economic Development	$400,000

Applicants should apply only for the level of funding necessary to carry out the project. Grant requests must be sufficient either by themselves or in combination with other proposed funding sources to complete the proposed activities within 24 months from the date of the announcement of grant award by the Department. There are no minimum amounts required for CDBG requests, although requests under $100,000 generally are discouraged.

Application Deadlines

Type of Grant	Deadline (tentative)
Public Facilities	May 1, 1998
Housing and Community Revitalization	October 16, 1998
Economic Development	Open Cycle

Applications must be delivered or postmarked on or before the deadline date. Applications for economic development assistance can be made at any time.

Economic Development Ranking Criteria

For-profit businesses applying to the CDBG program under the sponsorship of a local government must meet certain thresholds to be considered for funding. These are listed in the CDBG ED Program's Application Guidelines. In addition, the community and business must demonstrate the following:

1. All thresholds are met or exceeded;
2. Management capacity;
3. Realistic historical and projected financial earnings;
4. Adequate security;
5. A sound, well-reasoned proposal;
6. Firm commitment of funds from private or public sector lenders;
7. Readiness to proceed;
8. The project will support itself over time; and
9. The level of CDBG assistance is appropriate in relation to the public benefit expected from the project.

Public Facilities Ranking Criteria

Public facility applications will be evaluated according to the following criteria and may be assigned up to a maximum of 800 points:

1. Needs Assessment and Project Selection	125 Points
2. Need for Project	100 Points
3. Project Concept and Technical Design	100 Points
4. Community Efforts	100 Points
5. Need for Financial Assistance	150 Points
6. Benefit to Low and Moderate Income	100 Points
7. Implementation and Management	125 Points
TOTAL:	800 Points

Housing And Community Revitalization Category Ranking Criteria

Housing and community revitalization applications will be evaluated according to the following criteria and may be assigned up to a maximum of 800 points, based on the following ranking criteria:

1. Needs Assessment and Project Selection	125 points
2. Need for Project	150 points
3. Project Strategy and Impact	150 points
4. Community Efforts	100 points
5. Benefit to Low and Moderate Income	150 points
6. Implementation and Management	125 points
TOTAL:	800 points

Brief Description of the CDBG Program Categories

1. Housing

For housing, CDBG funds are most often used to make low or no interest loans or grants to low- and moderate-income families to allow them to rehabilitate homes in substandard condition. CDBG funds can also be used to finance or subsidize the construction of new permanent residential units where the CDBG funds will be used by a local nonprofit organization. Housing projects can include site improvements to publicly owned land or land owned by a nonprofit organization to be used for new housing.

Transitional (temporary) housing is eligible under the public facilities category. The acquisition of sites for new housing and conversion of existing nonresidential structures for residential use are also eligible CDBG housing activities.

Over the past 13 years, CDBG has funded 63 housing projects that equal more than $25 million in CDBG funds alone.

First Time Home Buyer - Kalispell

2. Economic Development Projects

For economic development, Montana's CDBG program is designed to stimulate the economic development activity by assisting the private sector, in order to create or retain jobs for low and moderate income persons. CDBG funds are intended to be used in situations where a funding gap exists, or alternative sources of public and private financing are not adequate. These funds are intended to complement conventional business financing and those of other federal programs such as the Economic Development Administration and Small Business Administration. The program is also encouraged to complement the Department of Commerce programs for business assistance administered by the Economic Development Division, such as the Montana Board of Investments, and the Montana Science and Technology Alliance, and the Job Investment Loan Program.

The CDBG economic development program is designed to assist businesses by making appropriate long-term, fixed-rate financing available to them at reasonable interest rates, and by providing public improvements, such as sewer, water, and sidewalks, in support of economic development activities.

Typical eligible activities that fall within the CDBG economic development category include: land acquisition; public facilities and other improvements in support of economic development, such as water and sewer lines, and access roads; loans for acquisition, construction, rehabilitation, or installation of commercial and industrial buildings, facilities, equipment, or working capital; employee training; and grants or loans from communities to nonprofit entities.

"Before"
Hovey Building - Wolf Point

"After"
Hovey Building - Wolf Point

3. Public Facility Projects

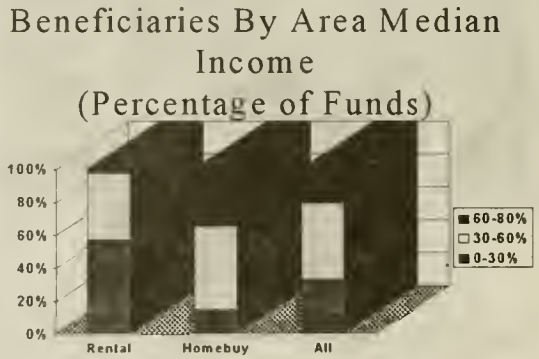
For public facility projects, CDBG funds have been used to upgrade or undertake the new

construction of dozens of community water and sewer systems and other public facilities. During the last several years, communities have also utilized the CDBG program to construct or rehabilitate senior citizen centers, centers for abused or runaway youth, Head Start centers, assisted living facilities, and public nursing home facilities.

Whitehall Water System Improvements - 1994

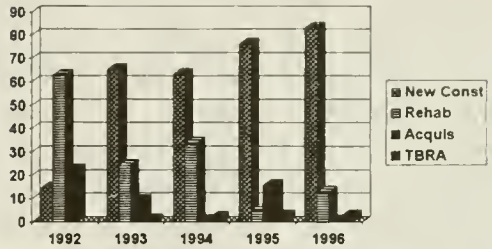
HOME INVESTMENT PARTNERSHIPS PROGRAM

The HOME program, administered by the Housing Division, expands the supply of decent, affordable housing for low- and very low-income families; builds state and local capacity to design and carry out an affordable housing program; provides financial and technical assistance to participating jurisdictions, including model program development; and strengthens partnerships among all levels of government and the private sector in the development of affordable housing.



The program allows a wide range of eligible activities, including tenant-based rental assistance (TBRA); assistance to home buyers; property acquisition; new construction; reconstruction, relocation, or demolition; moderate or substantial rehabilitation; site improvements; and other activities to develop non-luxury housing.

Fiscal Year Commitments By Housing Activity as a % of Total Project Funds



Match Requirement

Required contributions, or "match," for grantee applicants ranges from 5 percent to the federally mandated 25percent of non-administrative HOME funds expended. Any balance of the match requirement is provided by MDOC funds and/or utilizing previous years' excess match. The matching funds must be used for HOME-assisted or HOME-qualified projects. As a general rule, investments which are contributions from the State/local government or private sources will be eligible to qualify as a matching contribution. Eligible sources of match include: cash; the value of foregone interest, taxes, fees or charges by both public and private entities; value of donated land or real property; investments in on- or off-site improvements, bond financing, donated construction materials and voluntary labor. Federal funds (including CDBG funds) and owner financing/equity are ineligible match sources.

NHS - Great Falls

Ravalli Services - Hamilton

Ravalli Services - Kitchen

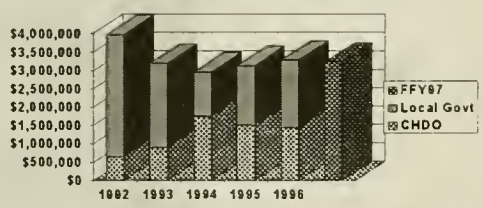
Guidelines for Recapture or Resale

Based on the amount of HOME dollars invested, home ownership programs are subject to a period of affordability. In addition, sale of the property by the home buyer during the period of affordability is subject to resale restrictions or a possible recapture of the HOME subsidy. The resale provision provides for the initial property to remain affordable for the period of affordability. The subsequent purchaser must be low income and occupy the property as principal residence. The seller of the initial property will receive a fair return on his investment, but the unit must also be "affordable" to the new purchaser. This can be accomplished with a deed restriction with the right of first refusal or purchase. The HOME investment subject to recapture is based on the amount of HOME assistance provided and the affordability period on which it is based. Repayment of HOME proceeds at transfer of the property must be reinvested to assist another home buyer to obtain a home. The purchaser must also be a low-income household and occupy the property as their principal residence. There are three methods of recapture that are acceptable:

1. Recapture the entire amount of the HOME investment, except that the amount may be reduced prorata based on the time the homeowner has owned and occupied the unit measured against the required affordability period.
2. The net proceeds may be divided proportionally if the funds are not sufficient to recapture the full HOME investment plus enable the homeowner to recover a portion of his investment.
3. If agreed upon, the program may allow the homeowner to recover all of his investment before recapturing the HOME investment.

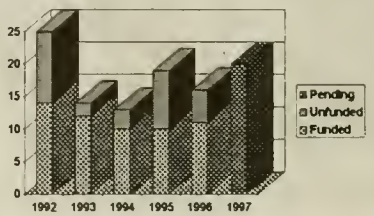
All cities (except Billings and Great Falls), urban counties, contiguous units of local government, and CHDOs (Community Housing Development Organizations, certified nonprofit organizations) are eligible to apply for HOME funds under the program administered by MDOC. A formula allocation of federal funds is distributed to each state and eligible city. MDOC, the City of Billings, and the City of Great Falls are the only participating jurisdictions in the state. Fifteen percent of funds are set aside for programs owned, developed, or sponsored by CHDOs. HOME funds are distributed on a competitive basis. All HOME funds must assist families below 80 percent of the median income.

Funding Level/Distribution



HOME Application Deadline: **October 5, 1998**
HOME Award Date: **December 7, 1998**
HOME Administration Workshop: **January, 1999**

HOME
APPLICATIONS/FUNDED



EMERGENCY SHELTER GRANT PROGRAM

Emergency Shelter Grants (ESG), administered by the Intergovernmental Human Services Bureau, are to help improve the quality of existing emergency shelters for the homeless, make available additional shelters, meet the costs of operating shelters, and provide essential social services to help prevent homelessness. The grants are 100 percent funded by the U.S. Departments of Health and Human Services and Housing and Urban Development. The 10 Regional Human Resource Development Councils (HRDCs) receive 95 percent of the grant funds. The remaining 5 percent are retained by the Department of Health & Human Services for administrative costs. The grants fund the renovation, rehabilitation, or operating costs of homeless shelters, and the provision of follow-up and long-term services to help homeless persons escape poverty. Shelters assisted and services delivered are determined by individual HRDCs. These funds are small in comparison to Montana's HOME and CDBG funding allocations.

The Montana Emergency Shelter program distributes funds based upon a formula allocation. The amount of funds allocated is determined on the basis of poverty and general population in each service area, relative to the poverty and general population of the entire state. Allocations of HUD ESG funds are as follows:

Funds are distributed to each Human Resource Development Council. All HRDCs will submit work plans, budgets, and reports outlining which of the allowable activities will be undertaken, how matching funds will be realized and a certification of local approval verifying that budgets and work plans have been reviewed and approved by a representative of the respective jurisdiction. The Department of Public Health and Human Services will execute contracts with all HRDCs within thirty (30) days of HUD approval of this application.

Actual project proposals for ESG funds have included the renovation of a building (asbestos removal and lead abatement) in order to use it as a transitional facility. Funds are also used to provide medical services to homeless individuals and families, to pay for hotel/motel rooms for homeless individuals, to pay rent or mortgages for homeless families, and to provide support groups, individual counseling, referral, advocacy and transport to homeless persons. Shelters have used funds to pay rent or mortgages, pay utilities, buy furnishings, and pay for maintenance and operational costs of their facilities. ESG funds are also used to pay security deposits on rent or utilities (or first month's rent) to enable homeless families to move into their own dwellings. The state has elected to allocate its funding to the non-profit HRDCs.

Joseph Center - Missoula

CPS TABLE A
HOUSING PRIORITY NEEDS SUMMARY TABLE
STATE OF MONTANA - FISCAL 1998

PRIORITY HOUSING NEEDS (households)			Priority Need Level High, Medium, Low, No such need			ESTIMATED UNITS	ESTIMATED DOLLARS NEEDED TO ADDRESS	ANTICIPATED DOLLARS AVAILABLE TO ADDRESS
			0-30%	31-50%	51-80%			
Renter	Small Related	Cost Burden > 30%	M	M	M	660	$301,000,000	
		Cost Burden > 50%	M	M	M			
		Substandard	M	M	M			
		Overcrowded	M	M	M			
	Large Related	Cost Burden > 30%	M	M	M			
		Cost Burden > 50%	M	M	M			
		Substandard	M	M	M			
		Overcrowded	M	M	M			
	Elderly	Cost Burden > 30%	M	M	M			
		Cost Burden > 50%	M	M	M			
		Substandard	M	M	M			
		Overcrowded	M	M	M			
	All Other	Cost Burden > 30%	M	M	M			
		Cost Burden > 50%	M	M	M			
		Substandard	M	M	M			
		Overcrowded	M	M	M			
Owner		Cost Burden > 30%	M	M	M	480		
		Cost Burden > 50%	M	M	M			
		Substandard	M	M	M			
		Overcrowded	M	M	M			
TOTAL PRIORITY HOUSING NEEDS			M	M	M	1,140	$301,000,000	$6,069,166

CPS TABLE B
HOMELESS PRIORITY NEEDS SUMMARY TABLE
STATE OF MONTANA - FISCAL 1998

PRIORITY HOMELESS NEEDS	Priority Need Level High, Medium, Low, No such need			ESTIMATED DOLLARS NEEDED TO ADDRESS	ANTICIPATED DOLLARS AVAILABLE TO ADDRESS
Assessment/Outreach	Families	Individuals	Persons w/ Special Needs		
	M	M	M	420,000	
Emergency Shelter	Families	Individuals	Persons w/ Special Needs		
	M	M	M	420,000	
Transitional Housing	Families	Individuals	Persons w/ Special Needs		
	M	M	M	420,000	
Permanent Supportive Housing	Families	Individuals	Persons w/ Special Needs		
	M	M	M	420,000	
Permanent Housing	Families	Individuals	Persons w/ Special Needs		
	M	M	M	420,000	
TOTAL PRIORITY HOMELESS NEEDS	M	M	M	$2,099,000	$273,000

CPS TABLE C
NON-HOUSING COMMUNITY DEVELOPMENT PRIORITY NEEDS SUMMARY TABLE
STATE OF MONTANA - FISCAL 1998

PRIORITY COMMUNITY DEVELOPMENT NEEDS	Priority Need Level High, Medium, Low, No such need	ESTIMATED DOLLARS NEEDED TO ADDRESS	ANTICIPATED DOLLARS AVAILABLE TO ADDRESS
PUBLIC FACILITY NEEDS	M		
INFRASTRUCTURE IMPROVEMENT	H		
Solid Waste Disposal Improvements	H		
Waste Water Needs	H	$209,000,000	
Water System Improvements	H		
Other Infrastructure	M		
PUBLIC SERVICE NEEDS	M		
PLANNING	M		
OTHER COMMUNITY DEVELOPMENT NEEDS	M		
Lead Based Paint/Hazards	M		
ECONOMIC DEVELOPMENT NEEDS	H	$520,000,000	
TOTAL PRIORITY NON-HOUSING COMMUNITY DEVELOPMENT NEEDS	M	$729,000,000	$6,390,330

CONTINUUM OF CARE

The possibility of addressing homelessness on a more comprehensive scale than had previously been attempted led the Department of Public Health and Human Services to look at HUD's Continuum of Care NOFA carefully. After discussions with a number of interested people, DPHHS extended assistance to the state's Human Resource Development Councils (HRDCS) to work with communities in either establishing or maintaining local continuum of care coordinating councils or networks. Eight of the state's 10 HRDCs participated. This extensive process resulted in three applications being submitted for funding. Next year, we hope to build upon this effort and have several more projects ready. The three applications were two Supportive Housing Projects (one in Billings and one in Helena) and a Shelter Plus Care application for Helena. Total funding requested is $709,482.

Application for Federal Assistance

2 Date Submitted	Applicant Identifier
02/15/98	

1 Type of Submission:	3. Date Received by State	State Application Identifier
Application Non - Construction Preapplication Non - Construction		81-0302402
	4. Date Received by Federal Agency	Federal Identifier 81-0302402

5 Applicant Information

Legal Name	Organizational Unit
Montana Department of Commerce	Local Government Assistance Division
Address 1424 9th Avenue Helena, MT 59620	**Contact** Gus Byrom, Program Manager (406) 444-4477

6. Employer Identification Number (EIN):	7. Type of Applicant:
81-030240	State
8. Type of Application: Type: Continuation	**9. Name of Federal Agency:** Department of Housing and Urban Development

10. Catalog of Federal Domestic Assistance Number:	11. Descriptive Title of Applicant's Project:
Catalog Number: 14.228 Assistance Title: Community Development Block Grant Program	FY 98 State of Montana Community Development Block Grant Program
12. Areas Affected by Project: State of Montana (excluding the city limits of Great Falls and Billings)	

13. Proposed Project:		14. Congressional Districts of:	
Start Date	Start Date	a. Applicant	b. Project
04/01/98	03/31/99	Montana	Montana

15. Estimated Funding:	16. Is Application Subject to Review by State Executive Order 12372 Process?
a. Federal $8,275,000	Review Status: Program not covered
b. Applicant $0	
c. State $0	
d. Local $0	17. Is the Applicant Delinquent on Any Federal Debt?
e. Other $0	No
f. Program Income $0	
g. Total $ 8,275,000	

18. To the best of my knowledge and belief, all data in this application/preapplication are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is awarded.

a Typed Name of Authorized Representative	b. Title	c. Telephone Number
Peter S. Blouke, Ph.D.	Director, Department of Commerce	(406)444-3797
d Signature of Authorized Representative Peter S. Blouke		e Date Signed 2-2-98

Application for Federal Assistance

	2 Date Submitted: 02/15/98	Applicant Identifier: 81-0302402
1 Type of Submission: Application Non - Construction; Preapplication Non - Construction	3. Date Received by State:	State Application Identifier: 81-0302402
	4. Date Received by Federal Agency:	Federal Identifier: 81-0302402

5 Applicant Information

Legal Name: Montana Department of Commerce	Organizational Unit: Housing Division
Address: 836 Front Street, Helena, MT 59624	Contact: Dave Parker, Program Manager, (406) 444-0092
6. Employer Identification Number (EIN):	7. Type of Applicant: State
8. Type of Application: Type: Continuation	9. Name of Federal Agency: Department of Housing and Urban Development
10. Catalog of Federal Domestic Assistance Number: Catalog Number: 14.239; Assistance Title: HOME Investment Partnerships Program	11. Descriptive Title of Applicant's Project: FY98 State of Montana HOME Investment Partnerships Program
12. Areas Affected by Project: State of Montana (excluding the city limits of Great Falls and Billings)	

13. Proposed Project:		14. Congressional Districts of:	
Start Date: 04/01/98	Start Date: 03/31/99	a. Applicant: Montana	b. Project: Montana

15. Estimated Funding:		16. Is Application Subject to Review by State Executive Order 12372 Process?
a. Federal	$3,735,759	Review Status: Program not covered
b. Applicant	$0	
c. State	$0	
d. Local	$0	17. Is the Applicant Delinquent on Any Federal Debt? No
e. Other	$0	
f. Program Income	$0	
g. Total	$ 3,735,759	

18 To the best of my knowledge and belief, all data in this application/preapplication are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is awarded.

a. Typed Name of Authorized Representative	b. Title	c. Telephone Number
Peter S. Blouke, Ph.D.	Director, Department of Commerce	(406) 444-3797
d. Signature of Authorized Representative: Peter S. Blouke		e. Date Signed: 2-2-98

Application for Federal Assistance

2 Date Submitted	Applicant Identifier
02/15/98	81-0362402

1 Type of Submission:	3 Date Received by State	State Application Identifier
Application Non - Construction Preapplication Non - Construction		81-0362402
	4 Date Received by Federal Agency	Federal Identifier 81-0302402

5 Applicant Information

Legal Name	Organizational Unit
State of Montana	Child and Family Services Division
Address P O Box 4210 Capital Station Helena, MT 59620	**Contact** Jim Nolan, Program Manager (406) 444-4260
6. Employer Identification Number (EIN):	7. Type of Applicant: State
8. Type of Application: Type: Continuation	9. Name of Federal Agency: Department of Housing and Urban Development
10. Catalog of Federal Domestic Assistance Number: Catalog Number: 14.231 Assistance Title: Emergency Grant Program	11. Descriptive Title of Applicant's Project: FY98 State of Montana Emergency Shelter Grant Funds
12. Areas Affected by Project: State of Montana	

13. Proposed Project:		14. Congressional Districts of:	
Start Date 04/01/98	Start Date 03/31/99	a. Applicant Montana	b. Project Montana

15. Estimated Funding:	16. Is Application Subject to Review by State Executive Order 12372 Process?
a. Federal $398,000	Review Status: Program not covered
b. Applicant $0	
c. State $0	
d Local $0	17. Is the Applicant Delinquent on Any Federal Debt? No
e. Other $0	
f. Program Income $0	
g Total $ 398,000	

18 To the best of my knowledge and belief, all data in this application/preapplication are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is awarded.

a. Typed Name of Authorized Representative	b. Title	c. Telephone Number
Hank Hudson	Administrator of Child and Family Servic	(406) 444-5901
d Signature of Authorized Representative Kimberly K Buan, Atty for Hank Hudson		e. Date Signed 2-3-98

STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

Affirmatively Further Fair Housing -- The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

2. Establishing an ongoing drug-free awareness program to inform employees about -

   (a) The dangers of drug abuse in the workplace;
   (b) The grantee's policy of maintaining a drug-free workplace;
   (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
   (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;

4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -

   (a) Abide by the terms of the statement; and
   (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -

   (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

   (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying -- To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of State -- The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

Signature/Authorized Official

2/6/98
Date

Director, Department of Commerce
Title

Specific CDBG Certifications

The State certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

Consultation with Local Governments -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;

2. It engages in or will engage in planning for community development activities;

3. It provides or will provide technical assistance to units of local government in connection with community development programs; and

4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

Local Needs Identification -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);

2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans during program year 1998 shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;

3. Special Assessments. The state will require units of general local government that receive CDBG funds to certify to the following:

   It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

   However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

   It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

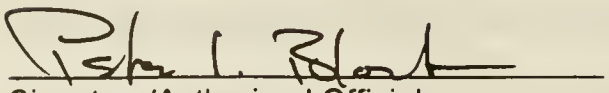
Excessive Force -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Compliance with Laws -- It will comply with applicable laws.



Signature/Authorized Official

2/6/98
Date

Director, Department of Commerce
Title

Specific HOME Certifications

The State certifies that:

Tenant Based Rental Assistance -- If it intends to provide tenant-based rental assistance:

> The use of HOME funds for tenant-based rental assistance is an essential element of the State's consolidated plan.

Eligible Activities and Costs -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

Appropriate Financial Assistance -- Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

Peter S. Blouke — 2/6/98

Signature/Authorized Official — Date

Director, Department of Commerce

Title

ESG Certifications

The State seeking funds under the Emergency Shelter Program (ESG) certifies that it will ensure that its recipients of ESG funds comply with the following requirements:

Major rehabilitation/conversion -- In the case of major rehabilitation or conversion, it will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 10 years. If the rehabilitation is not major, the recipient will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 3 years.

Essential Services -- Where the assistance involves essential services or maintenance, operation, insurance, utilities and furnishings, it will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served.

Renovation -- Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services -- It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal State, local, and private assistance for such individuals.

Matching Funds -- It will obtain matching amounts required under 24 CFR §576.71.

Confidentiality -- It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement -- To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under this program, in providing services assisted through this program, and in providing services for occupants of such facilities.

Consolidated Plan -- It is following a current HUD-approved Consolidated Plan.

Shirley K Brown, Acty Administrator 2/6/98

Signature/Authorized Official Date

Administrator, Child and Family Services

Title

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.

2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

3. For grantees other than individuals, Alternate I applies. (This is the information to which jurisdictions certify).

4. For grantees who are individuals, Alternate II applies. (Not applicable jurisdictions.)

5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.

6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes

place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).

7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).

8. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance:

1424 9th Avenue, Helena, Lewis and Clark County, Montana 59620
836 Front Street, Helena, Lewis and Clark County, Montana 59620
1400 Carter Drive, Helena, Lewis and Clark County, Montana 59620

Check ____ if there are workplaces on file that are not identified here; The certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F.

9. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel

and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

SUMMARY OF CITIZEN PARTICIPATION

(for Plan Year April 1, 1998 - March 31, 1999)

The annual citizen participation process of updating the Consolidated Plan (CP) is designed to give the public an opportunity to comment on the way HUD programs are administered by the State. A letter was sent to 561 local governments, public agencies, member organizations and citizens throughout Montana encouraging their participation in updating the Annual Action Plan and CP. Several organizations were individually contacted and encouraged to provide information and valid statistics to aid in the update process. Legal advertisements were placed in fifteen newspapers around the state advertising the public input hearing and requesting oral and written comments.

A public information hearing was held on March 27, 1997 in Harlowton for the express purpose of receiving public input prior to developing the draft Action Plan. One individual representing a non-profit organization attended the meeting. No written comments were received.

Home Mortgage Disclosure Act Analysis was completed to support this year's Consolidated Plan. The *Economic and Demographic Analysis* was updated with current information. Nine-hundred letters notifying individuals and organizations of the availability of the two documents and the Annual Performance Report for the period April 1, 1996 through March 31, 1997 were sent. Numerous requests were received for the documents.

The draft CP Annual Action Plan was released to the public in November, 1997. The following avenues were used to inform the public that the Action Plan was available for review and comment. Based on these mailings, several people called and requested copies.

- ✘ Newspaper notices announced that copies of the document had been distributed to public libraries in Montana and were available for review. Dates, locations and times of the scheduled public review meetings were included.

- ✘ The draft CP Annual Action Plan, and cover letter was sent to 181 public libraries and County Planning offices in the state. Libraries located in larger towns received several copies to allow for at least one copy to be checked out. All documents displayed a schedule of future public review meetings.

- ✘ A packet was sent to 918 individuals, agencies and organizations on the Consolidated Plan mailing list. The packet contained the *Introduction* to the Action Plan and a cover letter that included dates, locations and times of scheduled public review meetings and a map showing state locations. A flyer was inserted announcing fair housing workshops scheduled in November.

The three public review meetings were very successful due to the large number of people attending. MDOC initiated several unique campaigns to encourage attendance at the meetings. Directly connecting with media sources proved extremely beneficial in "getting

the information to the local communities."

The first meeting, held December 2 in Sidney was attended by twenty-three people.

✘ HOME and CDBG staff held a conference call interview with the local newspaper. Prior to the meeting, the Sidney Herald Leader wrote a front page coverage story and included the meeting in the Community Calendar of events.

✘ A large advertisement was placed in the newspaper inviting the community to attend the meeting.

✘ One-half hour before the meeting, MDOC staff served a light supper of hot dogs, chips, soda pop, coffee and dessert. The food was well received due to several scheduled meetings that same evening.

✘ Personalized letters were sent to thirty-two individuals and organizations inviting them to attend the meeting.

Hotdogs Anyone?

Housing Division of Montana Department of Commerce

You're Invited

to the Sidney Community Meeting

There will be Hot Dogs and Conversation

December 2, 1997

City Library • 121 3rd Ave., NW • Sidney, MT

Hot Dogs 5:30 p.m. • Meeting 6:00 p.m.

Share your thoughts and give us the benefit of your comments on housing and other community development needs of low and moderate income families.

The meeting will concentrate on the Montana Consolidated Plan. Before the state can apply to receive program funds for housing and community development, the yearly Action Plan for the Community Development Block Grant, HOME Investment Partnerships and the Emergency Shelter Grant Programs must be in place. Come help us get the job done for Montana.

Can't attend? Your written comments are welcome. Please send them prior to December 31, 1997 to

Connie Onstad
Consolidated Plan Coordinator
Housing Division
Montana Department of Commerce
P.O. Box 200545
Helena, MT 59620-0545

For more information call the Department of Commerce at (406) 444-0092, TDD# (406) 444-2978, or the statewide TDD Relay Service 800-253-4091 (for TDD users) or 800-253-4093 (for Voice users)

Sidney Herald-Leader
11/26/97 and 11/30/97

Sidney Public Review Meeting

The second public review meeting was held in Dillon on December 9 with twenty-one people attending.

✘ HOME and CDBG staff held a conference call interview with the local newspaper. Prior to the meeting, the Dillon Tribune wrote an article about the programs covered under the Consolidated Plan.

✘ A large advertisement was placed in the newspaper inviting the community to "Come by for Dessert" at 1:00 in the afternoon.

✘ CDBG and HOME staff were guests on a radio call-in program: "What's on Your Mind?". Several people listening to the show that morning made it a point to attend the afternoon meeting.

✘ Personalized letters were sent to twenty-seven individuals and organizations inviting them to attend the meeting.

Dillon Public Review Meeting

Dillon Tribune

Wednesday, Dec. 3,1997 | *Volume 118 No. 49 - "Following Beaverhead Trails Since 1881"* | *75 Cents*

Grant programs aired during community meeting Dec. 9

How a number of government programs can be used in both the public, nonprofit and private sectors, is the aim of a community meeting planned for Tuesday, Dec. 9, in the Forest Service Building's meeting room.

The meeting will begin at 1 p.m., and will feature three major programs currently available in Montana the Community Development Block Grant, the HOME Program and the Emergency Shelter Grant Program.

The grants cross a number of lines and provide a wide range of services, including working toward solving the need for low and medium income housing, and economic development.

The meeting is designed to help local governments and other organizations prepare to apply for the available funding, which is set up state-wide.

Among those involved with the session were Mareen Rude, administrator, Housing Division of the Montana Department of Commerce, and Executive Director of the Board of Housing, Connie Dnatad, Consolidated Plan Coordinator and HOME Program Office, Housing Division; Gus Byrom, Community Development Block Grant Program-Program manager of Housing and Public Facilities, Local Government Assistance Division; Ann Desch, Business Development Office, Economic Development Division.

Terry Dimock, Regional Development Office, 444-2787, is responsible for assisting applicants with the requirements of applications for the funding.

Widespread participation from the community is a major goal of the meeting, and the meetings are planned in a number of locations across the state.

Page B-2 - Dillon Tribune - Wednesday, Dec. 3, 1997

Dillon Tribune
11/26/97 and 12/3/97

The third public review meeting was held in Libby, December 11, with nineteen people providing input and comment.

✘ HOME and CDBG staff held a conference call interview with the local newspaper. Prior to the meeting, the Western News wrote a front page article about the programs covered under the Consolidated Plan.

✘ A large advertisement was placed in the newspaper inviting the community to "Join Us for Coffee and Donuts" at 9:00 in the morning.

✘ CDBG and HOME staff were guests on a taped interview with KLCB AM radio the afternoon before the meeting. The interview was aired in the afternoon and evening prior to the meeting. The interview was played in conjunction with an interview of a Lincoln County Commissioner talking about a recent HOME program grant awarded to Lincoln County. Many people came to meeting because they heard about it on the radio.

✘ Personalized letters were sent to sixty-three individuals and organizations inviting them to attend the meeting.

Libby Public Review Meeting

Housing Division of Montana Department of Commerce

JOIN US FOR COFFEE AND DONUTS

at the Libby Community Meeting

Date: December 11, 1997 – Place: Public Library, 220 West 6th – Time: 9:00 AM

Share your thoughts and give us the benefit of your comments on housing and other community development needs of low and moderate income families.

The meeting will concentrate on the Montana Consolidated Plan. Before the state can apply to receive program funds for housing and community development, the yearly Action Plan for the Community Development Block Grant, HOME Investment Partnerships and the Emergency Shelter Grant Programs must be in place. Come help us get the job done for Montana

Can't attend? Your written comments are welcome. Please send them prior to December 31, 1997 to:

Connie Onstad
Consolidated Plan Coordinator
Housing Division
Montana Department of Commerce
P.O Box 200545
Helena, MT 59620-0545

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The Western News

Community meeting set Thursday

The Montana Department of Commerce will hold a community meeting at 9 a.m. Thursday, Dec. 11, at the Lincoln County Public Library in Libby to discuss various grant programs available for housing, economic development and public facilities.

Representatives will be on hand from the department's Home Investment Partnerships Program, Community Development Block Grant Program and the Economic Development Division.

The Commerce Department administers aid through a variety of federal programs. The meeting is a way to assess community needs and make local people aware of the various kinds of assistance that are available.

Thursday's meeting will cover housing programs such as assistance for rent, down payments, renovation and special needs housing; economic development programs including small business assistance and programs to aid in improving public infrastructure like water and sewer systems and roads.

The Western News
12/5/97 and 12/10/97

In addition to formal notification and advertising for public comment, numerous opportunities are provided throughout the year to solicit public comment and citizen participation regarding the three programs. Following is a short summary of some of these meetings and events.

➤ In the Spring of 1997, Application workshops for the Community Development Block Grant Program and the HOME Investment Partnerships Program were held at three locations in the state (Malta, Laurel and Helena). The Montana Board of Housing, and Rural Development also presented information on their programs at these workshops. In conjunction with the workshops, training relating to underwriting and financial packaging was provided.

➤ Local Government Assistance Division personnel attended the Montana Rural Water Conference held in Great Falls in February, 1997.

➤ The CDBG program annually distributes Application Guidelines for public comment and holds a formal hearing to receive public comment on the adoption of revised guidelines.

➤ The Administration Workshop for HOME and CDBG programs in January and February, provided a forum to distribute the draft Action Plan and supporting documentation.

➤ Housing Division and Local Government Assistance Division personnel participated in a booth display at the Montana League of Cities and Town Annual Conference in October, 1997 in Helena.

Following is a summary of oral and written comments received by MDOC on the draft Annual Action Plan. Tapes of the public hearings and written comments are on file in the office of the Consolidated Plan Coordinator, Montana Department of Commerce, 836 Front Street, Helena, MT.

PUBLIC REVIEW WRITTEN/ORAL COMMENTS AND RESPONSES

Comments at the public review meetings focused on the programs covered under the CP and the ability of communities to apply for funds. Overall, the meetings resembled "town meetings" with residents interacting and developing strategies on how to address economic development, public facility needs and affordable housing within their communities.

Two letters were received giving written comment on the Annual Action Plan.

Comment: One community recommended that the fall application deadline be scheduled as late in the fall as feasible. They also suggested that necessary training sessions avoid the spring planting and calving season of early March to late May if possible.

Response: MDOC considered the request to delay the Fall deadline for housing applications carefully. As a result the HOME application deadline date has been "set-back" two weeks to October 5 and the CDBG application deadline date to October 16. It was determined that the reviewing and ranking of applications could still be completed in a timely manner to allow successful applicants time to complete initial project preparation and be ready to proceed within the "construction season" for Montana.

HOME, CDBG and BOH personnel have been working together on setting dates for the application workshops in Spring, 1998. Due to the comment received, the workshops have been moved from April last year to May and June this year. Proposed Application Workshop dates are May 5-6 in Lewistown, May 19-20 in Libby and June 2-3 in Miles City.

Comment: Montana seems to rely heavily on the involvement of the Human Rights Commission to meet Affirmatively Furthering Fair Housing (AFFH) certification in both the CDBG and HOME programs. What has been and will be the impact of the Commissions loss of "primacy" regarding jurisdiction and enforcement of the Fair Housing Act?

Response: The Department of Labor and Industry (DOLI) and the Human Rights Commission (HRC) no longer have any authority to enforce the federal Fair Housing Act (FHA). As of July 1, 1997, HUD is receiving and investigating allegations of violations of the FHA. The DOLI receives and investigates allegations of fair housing violations under state law only. In some instances, DOLI is aware that this results in complaints being filed with both agencies and dual investigations being conducted. MDOC has never relied upon the Human Rights Commission to certify activities under the CDBG, HOME or ESG programs.

Comment: One organization asked how the reduction in funding and corresponding staff availability of the Human Rights Commission (HRC) would impact MDOCs reliance on the HRC for certification activities?

Response: HUD no longer considers Montana fair housing law to be substantially equivalent to the federal Fair Housing Act , the HRC enforcement activities are no longer viewed by HUD as adequately protecting the rights and remedies of aggrieved parties under federal law. The Human Rights Commission is the state agency set up to respond and investigate fair housing complaints. When MDOC receives calls with questions or concerns about fair housing or a complaint on fair housing, MDOC will continue to refer callers to the Human Rights Commission. MDOC will also assist the complainant by referring them to the U.S. Department of Housing and Urban Development's Rocky Mountain Division to file a grievance with the Office of Fair Housing and Equal Opportunity.

Comment: Several questions and comments were received outlining numerous items for consideration regarding the fair housing issue.

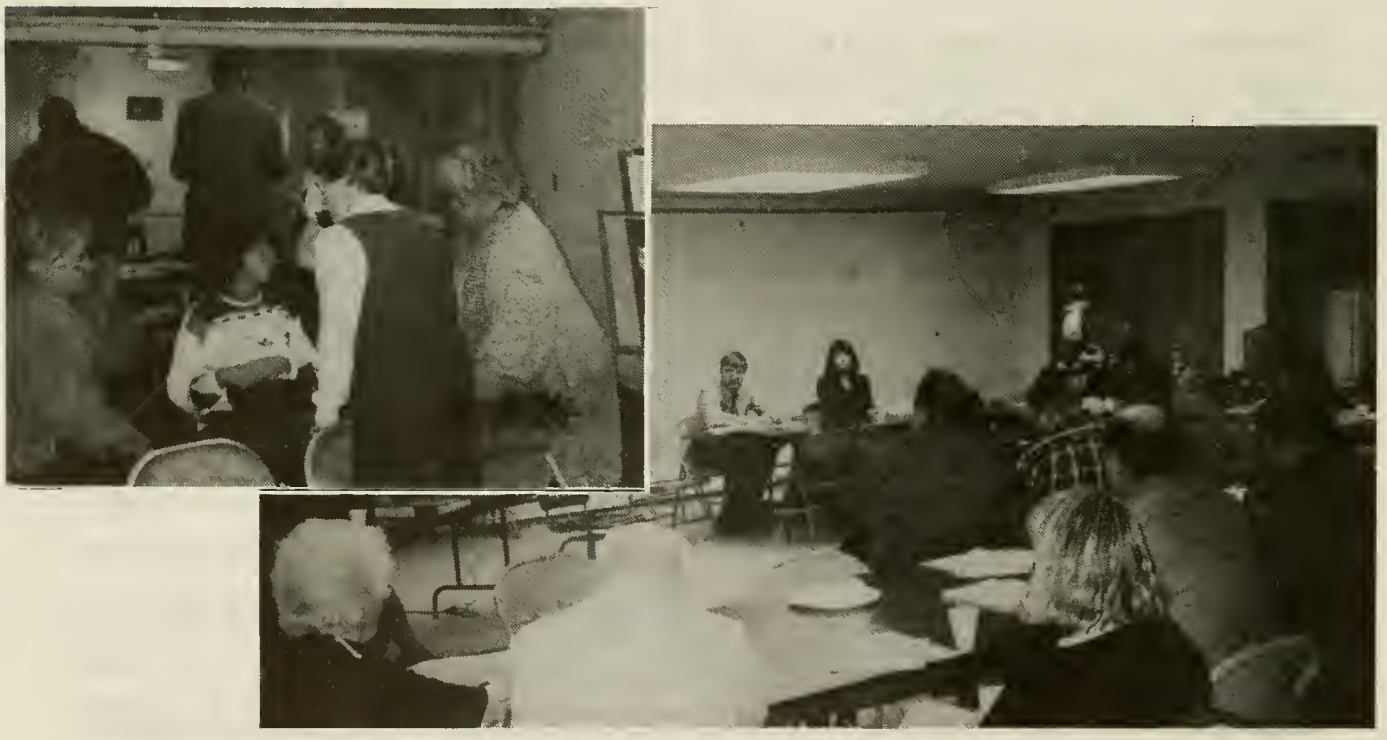
Response: MDOC has made the policy of the Department clear on numerous occasions regarding the issue of fair housing. It is the policy of the Department of Commerce to

make the entire amount of CDBG and HOME funds (with the exception of direct program administration) available to local governments and other eligible entities through a competitive process. Limited administrative funds are used to conduct a broad range of compliance responsibilities within the programs. Fair housing must be addressed within the context of all grant responsibilities, including labor standards, environmental regulations, contracting requirements, and other civil rights responsibilities, including the Americans with Disabilities Act (ADA) and Section 3 compliance.

Montana communities decide what is the most important activity for their community, rather than us deciding on a state level what is best. All indications from local governments and housing providers show they like the competitive process and want the funds to go to the primary purpose -- housing, economic development or public facilities.

MDOC staff is available to make presentations if requested (given adequate notice) regarding the fair housing requirements of our programs. We will continue to monitor fair housing compliance, as required by the federal housing laws. The procedures and requirements for affirmative marketing are included in the Grantee's management plans submitted by successful applicants. We will continue to authorize grantee administrative funds for HOME and CDBG grantees to conduct activities to affirmatively further fair housing.

MDOC has noted with interest that President Clinton has asked for a $22 million budget increase for HUD's Office of Fair Housing and Equal Opportunity. The increase would boost the funding from $30 million to $52 million and significantly increase HUD funding for state and local fair housing groups.



Community Review Meetings

1,000 copies of this public document were published at an estimated cost of $2.60 per copy, for a total cost of $2,600.00, which includes $2,600.00 for printing and $.00 for distribution.

Transitional Family Shelter - Helena

The Bridge Transitional Housing - Missoula

Sure Way Systems - Butte

Glasgow - Sewer Separation Project

Missoula Children's Theater

Malta - Flood Protection Project